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ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Written statement* submitted by the Federación de Asociaciones de Defensa y Promoción de los Derechos Humanos, a non-governmental organization in special consultative status

The Secretary-General has received the following written statement, which is circulated in accordance with Economic and Social Council resolution 1996/31.

[3 January 2000]

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* This written statement is issued, unedited, as received from the submitting non-governmental organization.

GE.00-10833 (E)

External debt: a conditioning factor in the development of impoverished countries and a violation of the fundamental rights of their citizens

In this millennium now ending, the external debt of what is referred to as the third world has become, due to its enormous volume and the speed with which it is growing, one of the main obstacles to the human development of the poorest countries on the planet.

This debt of doubtful legitimacy and immoral repayment conditions, which undermines the sovereignty and self-government of debtor countries, and for which the creditor countries and their financial institutions have already been economically compensated, is a debt which ultimately in many cases is mathematically unpayable although the cost of writing it off would be absurdly low for the first world.

The external debt is therefore a violation of the right of the citizens of debtor countries to live a life of dignity as they watch their Governments being forced to divert to debt-servicing resources which should be invested in basic social sectors.

The external debt has at the same time become the most dramatic expression of the permanent state of subordination endured by the economies of the nations of the South in an international economic context of globalization.

Taking a correct approach to tackling the problem of the debt requires not only understanding it as a financial issue but above all seeing it as a determining factor in the conditions in which thousands of millions of poverty-stricken human beings live and in their development.

It is increasingly clear that the individual must become the centre of the economy; this means that, for modern States, investing in individuals should become a moral imperative.

To date, the international financial institutions and the community of creditors have imposed macroeconomic solutions on the problem of the external debt; these have not been effective in a single case and their social cost has been extremely heavy in the indebted countries.

A timid change of attitude can be perceived nevertheless, doubtless as a result of the pressure of civil society which, in various national and international campaigns emerging as a knock-on effect of the Jubilee 2000 Campaign, demands debt forgiveness to the extent of writing off a substantial portion and a new approach to dealing with it in the future.

As regards the creditors, it is beginning to be understood that the growth of the economies of the indebted countries is necessary but is clearly insufficient to eradicate poverty and that social and structural aspects must be given precedence over macroeconomic and financial issues.

This means that unless there is a change in approach, and unless the first step is to write off a substantial portion of the debt, there will be no hope of improvement in the long-term development of the indebted countries. In fact, it is in the hands of the creditors that the

possibility of promoting or curbing development and of improving the living conditions of many millions of people is being placed. A step forward would constitute unprecedented progress in international cooperation, but a false move or too timid an advance would mean for the rich countries an inescapable responsibility in the perpetuation of the poverty of hundreds of millions of people in the third world.

The cost of not taking another approach to the problem of external debt can be measured not in millions of dollars but in millions of human beings who will remain illiterate, in millions of deaths for lack of health care or in the under-nourishment of millions of individuals.

In keeping with the sentiments of civil society, which has declared that the debt is unjust and immoral and that it feels ashamed to demand money from countries living in extreme poverty, the Federación de Asociaciones de Defensa y Promoción de los Derechos Humanos - España, welcoming and endorsing the foregoing, addresses itself to the United Nations Commission on Human Rights and:

Demands a new approach to the problem of the external debt based on the individual and respect for his inviolable rights, the fundamental objective of which will be to combat poverty in the world,

Urges the Governments of creditor countries and the multilateral financial institutions

To cancel immediately and in full the debt of the 50 poorest and most heavily indebted countries in the world;

To undertake bilateral action to write off the debt of middle-income countries, with particular attention to the level of indebtedness, development and population below the poverty line;

To develop wide-ranging and stable programmes of debt-conversion for human development, tying the resources released by the reduction of the debt to investment in programmes for the eradication of poverty;

Requests the Commission to encourage:

The reform of IMF, which has become a source of problems rather than solutions, incapable of handling even financial globalization;

The establishment of a Debtors' Club to conduct negotiations both with the multilateral bodies and with the London and Paris Clubs;

Consultation by the United Nations of the International Court of Justice in The Hague as to the obligation to pay in cases of extreme need, the legitimacy of interest rates and the conditions of the debt, as well as the application of article 38 of the Statute of the Court in respect of good faith, equality, fundamental changes in circumstances and the prohibition of usury (as general principles of law);

The participation of civil society, particularly of the most heavily indebted countries, so that they will be active subjects in the process of debt reduction;

Urges the Commission to follow with attention:

The reform which has been undertaken of the HIPC (Heavily Indebted Poor Countries) initiative to make it more flexible, broader-based, more rapid and more generous;

Future processes of indebtedness and the role in them of the multilateral financial institutions and the international community so as to ensure that poor countries will have access to funds for their development without having to lose their sovereignty or be subjected to structural adjustment plans which are not fundamentally intended for the combat to eradicate poverty and to give priority to sustainable human development.

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